

GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Civil Supplies – Procurement Policy of paddy and rice for Kharif Marketing Season 2013-14 - Orders- Issued.

CONSUMER AFFAIRS, FOOD AND CIVIL SUPPLIES (CS.I) DEPARTMENT

G.O.Ms.No.31

Dated: 21.10.2013

Read the following:

- 1) The A.P. Rice Procurement (Levy) Order, 1984 issued in G.O. Ms.No. 28,F & A (CS.I) Dept., dt. 25-1-1984 as amended from time to time.
- 2) G.O.Ms.No. 42 CA, F & CS(CS.I) Dept. dt. 3.10.2012.
- 3) G.O.Ms.No.18, CA, F & CS (CS.I) Dept., dt. 12.8.2013.
- 4) Lr.No. 6(1)/2007-PY.III dt 06-05-2013 of the Joint Secretary to Government of India, Department of Food & Public Distribution, Ministry of Consumer Affairs, Food and Public Distribution, New Delhi.
- 5) Lr. No. 6(1)/2007-PY.III dated.09-10-2013 of the Joint Secretary to Government of India, Department of Food & Public Distribution, Ministry of Consumer Affairs, Food and Public Distribution, New Delhi.

O R D E R:

In the Government order 2nd read above, the procurement policy for Kharif Marketing Season 2012-13 was communicated. In the reference third read above, the Govt. issued orders notifying that the levy percentage shall be 75% for each mill as a unit.

2. The following orders are issued as "Procurement Policy" for the Kharif Marketing Season 2013-14.

3. The AP State Civil Supplies Corporation Ltd. shall receive raw rice under mill levy under Decentralised procurement during the KMS 2013-14 in the districts of Karimnagar, Warangal, Nalgonda, Guntur, Prakasam, Nellore, Chittoor, Vizianagaram, Medak and Kurnool. The Food Corporation of India shall receive boiled rice in all the districts and raw rice in districts other than the above 10 districts where the decentralized procurement of raw rice is taken up by the AP State Civil Supplies Corporation Ltd. as per the Andhra Pradesh Rice Procurement (Levy) Order, 1984.

4. The Minimum Support Prices fixed by Government of India for the KMS 2013-14 are as follows:

Price per Quintal of Fair Average Quality of paddy:

Grade "A" :	Rs.1345/-
Common :	Rs.1310/-

(These rates may vary from time to time depending upon the revision by the Govt. of India.)

5. The levy procurement prices and the rates for Custom Milled Rice for the Kharif Marketing Season 2013-14 shall be communicated separately. Pending fixation of procurement prices for rice to be delivered in Kharif Marketing Season 2013-14, the Food Corporation of India and the AP State Civil Supplies Corporation shall pay procurement prices of KMS 2012-13, subject to adjustment of the difference between the procurement price of 2013-14 later. This shall be subject to the MSP certificate issued by the district administration that the rice is milled out of paddy of KMS 2013-14 and that paddy was purchased at the MSP fixed for 2013-14 and above.

If the amount paid is less, the F.C.I./APSCSCL will pay the difference to the miller. If the payment made is more, it will be recovered from the miller.

6. FAQ specifications for paddy and rice are enclosed (Annexure-I & II).

7. The same operational guidelines as communicated in G.O.Ms.No.38, C.A,F & C.S(CS.I) Dept. dated 24.9.2007 and modified from time to time shall be applicable for 2013-14 also. These can be modified from time to time based on the need. The new operational guidelines under the Decentralised procurement by the AP State Civil Supplies Corporation Ltd. are also enclosed – Annexure III.

8. i) The rice mill levy is 75% and the levy free eligibility is 25%.

ii) The levy free eligibility;

a) In respect of boiled rice, it may be utilized anywhere in the country since there is no demand within the State.

b) In respect of raw rice, it may be utilized in 1:1 ratio between sale within the State and outside the State.

9. The delivery of levy and levy free eligibility shall be dependent upon the purchases of paddy made by the rice millers at MSP and above for FAQ paddy as per B-register as in the past.

10. In respect of purchases of non-FAQ paddy by rice millers value cuts will be allowed as in the past viz for every percent over the permissible limit under FAQ, i.e., Rs.13.10 for Common and Rs.13.45 for Grade 'A' will be permitted as shown in the Annexure III. The out turn ratio of raw and boiled rice from paddy shall be 67% and 68% as in KMS 2012-13.

11. The millers may, to the maximum extent possible, pay the value of the paddy purchased by them from the farmers, through cheques.

12. The millers shall not purchase FAQ paddy at less than the MSP and levy rice shall be allowed to be delivered to the FCI or the AP

State Civil Supplies by the rice millers who purchase paddy at MSP and above price only at regulated markets, notified markets, godown points, including CWC & SWC godowns, and at rice mill premises as declared by the Marketing Department for the purpose of purchase of paddy. The millers can also purchase paddy at farm gate keeping in view the condition 23 of the operational guidelines for KMS 2007-08.

13. The A.P. State Civil Supplies Corporation Ltd., shall make arrangements for procurement paddy at MSP at decentralized procurement and retain the resultant CMR raw rice from out of the paddy procured in the entire State at MSP under the decentralized procurement for the PDS and deliver the boiled rice under CMR to the Food Corporation of India for the Central pool. The FCI shall also purchase paddy at MSP as offered to them. The procurement of paddy shall be done on a large scale or increased substantially to protect MSP. Since early crop is expected in some districts, the AP State Civil Supplies Corporation shall commence MSP operations immediately by opening adequate number of purchase centres. The AP State Civil Supplies Corporation shall retain the CMR raw rice obtained from the paddy purchased by it at MSP under Decentralised Procurement of Paddy in all the districts of the State while delivering the boiled rice to the FCI in all the districts.

14. The procurement of paddy by the AP State Civil Supplies Corporation under the MSP operations may be done with the help of Women Self Groups of IKP / DCMS / PACSs / Rythu Mithras etc. and on their own in all the paddy growing districts as per the districts allotted to them by the Commissioner of Civil Supplies depending upon the availability of experienced and active S.H.G.s /DCMS / PACS/Rythu Mithras etc. as mutually decided by the V.C & Managing Director, A.P. State Civil Supplies Corporation Ltd, Managing Director and Chief Executive Officer, SERP and other heads of Organizations connected with MSP operations. Whenever it is felt necessary, the AP MARKFED, NAFED, etc., can also be entrusted with the procurement of paddy under MSP operations. Based on such decision, the target given to the A.P. State Civil Supplies Corporation Ltd., can be distributed among the APSCSCL, A.P. MARKFED and other agencies. The procedure for the operations, transportation, storage, milling delivery etc., will be worked out, depending upon the decision on handling by SERP (IKP Groups) whether independently or through A.P. State Civil Supplies Corporation Ltd. This procedure is expected to benefit the small and marginal farmers to sell their produce at village level and to save the expenditure and mitigate the problems in transportation of paddy to AMCs and consequent handling at the Market Yards besides reducing the congestion at Market Yards.

15. The Rice Milling Industry shall deliver 80 lakh tonnes of levy rice to F.C.I /A.P. State Civil Supplies Corporation Ltd during Kharif Marketing Season 2013-14, (i.e., from 1st October, 2013 to 30th September,2014) i.e. a quantity of 55 (Fifty five) Lakh MTs of raw rice and 25(Twenty five.) lakh MTs of boiled rice. Out of this, 14 lakh tonnes of raw rice will be procured by the AP State Civil Supplies

Corporation Ltd. in the 10 districts viz., Karimnagar, Warangal, Nalgonda, Guntur, Prakasam, Nellore, Chittoor, Medak, Kurnool and Vizianagaram assigned to them. The FCI shall make available raw rice to the State Government for the PDS in the districts as per the allotment given by the Central/State Government. The Boiled rice of 25 lakh MT only shall be procured by the FCI in the entire State. These performance expectations are indicated based on the existing rice production prospects of Kharif and this can be revised depending upon the production prospects of rice in Rabi season. These targets may undergo changes at any time depending upon the actual production of paddy/rice, procurement progress, availability of godown space, need of rice for PDS and other welfare schemes in the State.

16. In Kharif season a performance expectation of 37 lakh tonnes of raw rice by FCI and 13 lakh tonnes by the AP State Civil Supplies Corporation Ltd., and 10 lakh tonnes of boiled rice by the FCI will be communicated to the rice millers in the State. During Rabi, the performance expectation can tentatively be 4 lakh tonnes of raw rice by the FCI and 1 lakh tones by the AP State Civil Supplies Corporation Ltd. and 15 lakh tonnes of boiled rice by the FCI. Over and above the Custom Milled Rice, the AP State Civil Supplies Corporation Ltd. shall retain the raw rice and hand over boiled rice to be delivered to the FCI. The FCI shall be required to take action to receive a total quantity of 56 lakh tonnes of rice under mill levy and about 15 lakh MTs under CMR by having adequate godown space. Similarly, the AP State Civil Supplies Corporation shall have a godown capacity to retain the CMR raw rice. Though the performance expectations for Kharif season and Rabi seasons are indicated separately, the deliveries shall be applicable for the entire KMS and from 1-10-2013 to 30-9-2014 and the deliveries cannot be stopped at the end of Kharif season i.e., 31.3.2014 and commence Rabi season afresh. The deliveries shall continue to be throughout the season from 01-10-2013 to 30-09-2014.

17. The State Govt. agencies viz. the A.P. State Civil Supplies Corporation and the IKP groups and other agencies have to move the paddy procured by these agencies to the rice mills simultaneously for custom milling and delivering raw rice to the AP State Civil Supplies Corporation Ltd. and boiled rice to the FCI on behalf of these agencies. If, for any reason, there is delay in the transportation of paddy to the rice mills and it becomes inevitable and unavoidable, they may transport the paddy to the intermediary storage points for storing in the CAP storage model with a view to protect the stocks from vagaries of nature, which result in deterioration of quality.

18. The rice Millers / Traders shall deliver 75% of the raw rice milled pertaining to all varieties other than superfine preferred varieties to the FCI and AP State Civil Supplies Corporation Ltd., under mill levy in the ten districts assigned to them and the boiled rice to the FCI only. If any miller / trader wants to deliver the super fine preferred varieties of raw rice, the FCI and the AP State Civil Supplies Corporation Ltd. may accept such varieties under levy.

19. The superfine preferred varieties rice shall be sold within the State only as this has a good demand from the public and the available rice of these varieties meets only a part of the demand. There shall be no need to obtain any permit for movement from one district to another for superfine preferred varieties rice within the State.

20. In respect of sale of raw and boiled levy free rice and the broken rice, within the State and outside the State, the existing system of obtaining permits shall continue.

21. The rice millers sell Superfine (preferred) varieties, as agreed to by them, to the AP State Civil Supplies Corporation Ltd as a Corporate Social Responsibility a quantity up to one percent of the quantity of rice expected to be procured at the price as may be decided after negotiations so as to enable the APSCSCL to supply the same to the card holders at affordable price through special counters with a view to keep the price of these varieties of rice under control.

22. The rice millers shall also make available any quantity of rice that the APSCSCL requires for maintaining PDS (in addition to the allotment of rice by the GoI under NFSO) from out of the levy free eligibility raw rice meant for sale within the State at prices decided after negotiations.

23. The Commissioner of Civil Supplies is authorized;

- i) to fix the district-wise performance expectation of raw rice and boiled rice for delivery under mill levy to the FCI/AP State Civil Supplies Corporation Ltd., depending upon the production of paddy, rice milling capacity and the past performance in consultation with the representatives of the Rice Industry Association / Rice Millers Association, A.P., Food Corporation of India and the A.P. State Civil Supplies Corporation Ltd., keeping in view the requirement of A.P raw rice for P.D.S. and other welfare schemes with the approval of the Government. The Collectors will in turn distribute the same among the district rice millers in consultation with the District Rice Millers Association and in such a way that there is a ratio between raw and boiled rice deliveries so that more boiled rice is not delivered in preference to raw rice and there is no shortfall of raw rice for PDS and other welfare schemes.
- ii) to revise the performance expectation from time to time, depending upon the progress in purchase of paddy at MSP, rice mill levy delivery and other priorities of the Government.
- iii) to issue orders to the Collectors(CS) to issue of release certificates for sale of levy free rice within the State expeditiously so as to make adequate quantity of raw rice available in the open market and keep the price of rice under control. This is necessary in order to ensure that while procuring rice for Central pool for meeting the requirements of PDS, the prices of rice in the open market are also kept under control. The Collectors(CS) will

permit the movement of levy free rice other than superfine (preferred) varieties by railway rakes as per the entitlement of raw rice as per the ratio fixed for sale within and outside the State and boiled rice for sale anywhere in the Country.

- iv) in respect of transfer of levy free eligibility, the Commissioner of Civil Supplies, A.P. Hyderabad may issue orders to the Collectors(CS)/ Chief Rationing Officer, Hyderabad to permit the transfer of levy free eligibility within the State and outside the State by the rice millers / traders at appropriate time during the KMS 2013-14 as was done during the KMS 2012-13 with the approval of Government.
- v) in respect of any modifications for issue of levy free release certificates and issue orders after obtaining the approval of the Government.
- vi) if for any reasons like non-availability of godown space, the FCI or the AP State Civil Supplies Corporation cannot accept the levy rice from any miller/s up to 75%, to the extent of the quantity not accepted, Government may consider on the recommendation of the Commissioner of Civil Supplies the need to permit sale of the same by the rice millers, on production of letter from the FCI or the AP State Civil Supplies Corporation to this effect, and issue orders accordingly.

24. The VC & MD, AP State Civil Supplies Corporation Ltd. shall take action to ensure that raw rice as delivered under mill levy is accepted by having adequate godown space at MLS points and other buffer godowns. He shall be in constant contact with the SWC, CWC, Marketing Dept. etc. and take action to get the godown space placed at their possession; in case suitable scientific private godowns are available, they may be taken on lease/rent. He shall also explore the possibility of godown construction through Govt. Warehousing agencies and other private entrepreneurs under PEG schemes etc. for taking on 7 years/5 years/2 years guarantee. Under no circumstances should there be any non-receipt of raw rice by the AP State Civil Supplies Corporation Ltd. in the districts allotted to them for want of godown space.

25. The raw rice procured under mill levy and the raw rice retained under CMR by the AP State Civil Supplies Corporation Ltd. shall be utilized for the PDS and other welfare schemes in the State. The deficit for the requirements in these districts and also the requirements of other districts would be made available by the FCI through procurement of raw rice and transporting to the needy districts as per the terms and conditions of the Decentralised procurement.

26. Rice Millers / Dealers shall be required to furnish a certificate to the effect that paddy was purchased at MSP from the farmers duly countersigned by the Sarpanch / Panchayat Secretary and Ward Member. In respect of paddy purchases by the rice millers from other

districts, the signature of the Sarpanch / Secretary of the Gram Panchayat / Ward Member, as the case may be, has to be obtained along with the seal of the Gram Panchayat and the same shall be entered in the "B" Register of the rice mill. Subsequently, 10% of the Rythu Vouchers furnished by the rice millers has to be selected at random and sent to the Tahsildars concerned for verification and certification. In case the information furnished in the Rythu Vouchers and in "B" Registers of the rice miller is found to be not correct, action as per the A.P. Rice Procurement (Levy) Order, 1984 and as per the operational guidelines issued vide G.O.Ms.No.38, CA, F&CS (CS.I) Dept., dated 24.09.2007, will be taken against the miller concerned. The certificates in support of payment of MSP for paddy produced by the millers/dealers shall be retained in the Office of the District Supply Officer to verify whether these details have been entered in the 'B' Register and also to verify whenever necessary, in future, whether the information furnished by them is correct or not. If it is noticed that the millers/dealers had not paid the MSP to the farmers for FAQ paddy, they shall not be allowed to participate in levy operations further in the season. The millers and dealers shall deliver the levy rice to the FCI or AP State Civil Supplies Corporation Ltd. based on the quantity of paddy milled from time to time. The same procedure of acceptance of levy rice (both raw and boiled) by the FCI and raw rice in the districts allotted to them by the AP State Civil Supplies Corporation Ltd. from the millers/dealers with MSP certificate issued by the Collector(CS) in support of purchase of paddy at MSP and above in the prescribed format.

27. The formats for certificates of purchase of paddy by the rice millers, traders etc. which were communicated earlier with modifications from time to time be adopted for Kharif Marketing Season 2013-14 also. The receipts produced by the millers / traders etc., and received from the Market Yards, Paddy Purchase Centers, notified mill points etc., shall be kept under the custody of the Tahsildar concerned for verification in due course or as and when necessary.

28. There may be no objection for accepting raw rice from the boiled rice mills, as the boiled rice mills can produce raw rice. However, there shall not be any acceptance of boiled rice from the raw rice mills, as raw rice mills cannot produce boiled rice.

29. The rice millers may obtain, on application, the Release Certificate for sale of levy free rice within the State or anywhere in the Country in the form communicated.

30. There may be some millers/traders who might have delivered levy but not have utilized the levy free rice entitlement due to closure of the mill or some other reason. Such millers may be allowed to purchase rice to the extent of levy free eligibility not utilized by them from the levy free eligibility of other millers and get the levy free release certificate transferred in their favour for utilization.

31. Rice under mill levy may be delivered in 50 kg gunny bags only. The Food Corporation of India shall take delivery in 17 MT truck loads or as may be decided from time to time by the FCI, Rice Millers and the Civil Supplies Department.

32. In respect of any dispute including quality parameters of rice between the miller and the FCI, a Committee headed by the Joint Collector and consisting of technical experts may resolve the dispute immediately.

33. The farmers and the Farmers' Clubs / Associations and Self Help Groups may be allowed to mill paddy of their own or on behalf of farmers, and deliver whole or part of raw rice to the AP State Civil Supplies Corporation in the districts allotted to them and to the Food Corporation of India elsewhere at procurement prices. They have to maintain the details in the 'B'- Register separately, as they are doing business of sale of rice to the AP State Civil Supplies Corporation / Food Corporation of India. The farmers' / farmers' clubs are required to obtain Registration Certificate from Commercial Taxes Department for delivery of rice to the AP State Civil Supplies Corporation Ltd/ Food Corporation of India. While paying procurement price, the Food Corporation of India may deduct such of the taxes / fee, which are payable by the farmers on such delivery of levy rice and the Food Corporation of India/AP State Civil Supplies Corporation shall pay such taxes / fee so deducted to the respective Departments of the State Government.

34. For accepting delivery of rice by the Food Corporation of India from the individual farmers, Registered Farmers' Clubs / Associations and Self Help Groups, a certificate issued by the Village Secretary / Agriculture Officer / Sarpanch of the village is necessary with regard to cultivation of paddy and the extent of land recorded in the Pattadar Pass Book / Adangals etc.

35. The Rice Millers have to undertake custom milling of paddy, as and when the farmers bring the paddy to the rice mills, keeping in view the explanation under clause 10(1) of the A.P. Rice Procurement (Levy) Order, 1984 at the rate stipulated or on mutually agreed terms/conditions between the millers and the farmers.

36. The Rice Millers may undertake simultaneously the custom milling of paddy procured by the State Agencies and Food Corporation of India, as per the agreed terms and conditions and at the rates and norms fixed by the Government of India. The Collectors may allot the paddy purchased at the Purchase centres of SHGs like IKP / DCMS / PACSs / PPCs / Market Yards etc., to rice mills for immediate custom milling without storage of the paddy. The rice millers, within 15 days from the date of receipt of paddy, have to complete custom milling of paddy and deliver the resultant rice, either as raw rice or boiled rice, as prescribed by the Government or the State Agency concerned, for the paddy handed over during the Kharif Marketing Season2013-14 by the A.P. State Civil Supplies Corporation Ltd., and S.H.Gs / DCMS / PACSs

of IKP. The Collectors may direct the rice millers to mill the paddy handed over to them by the State agency and deliver custom milled rice to the FCI/ APSCSCL along with the levy rice if necessary by fixing a ratio between the mill levy delivery and the custom milled rice delivery. The Collectors shall review the entire process of custom milling operations regularly and take necessary action against the rice millers, who fail to do custom milling of paddy procured by the Self Help Women Groups of Indira Kranthi Patham and A.P. State Civil Supplies Corporation Ltd., duly following the procedure in vogue. In cases of failure by rice millers in converting the paddy to rice within the stipulated time, the Collectors may furnish to the Food Corporation of India/AP State Civil Supplies Corporation Ltd., the details of defaulters together with mill-wise quantities given for custom milling, quantity milled and the quantity yet to be milled so that the Food Corporation of India may deduct the equivalent quantity of resultant rice for the paddy yet to be milled against the levy rice being delivered by such rice miller. The delivery of custom milled rice will be in addition to the performance expectation of 80 (Eighty) lakh tonnes of mill levy rice indicated to the State. It shall be the responsibility of the Collectors (CS) to ensure that the CMR rice is delivered by the rice millers as expeditious as possible. The APSCSCL shall monitor the delivery of the CMR rice on daily basis and ensure that the deliveries of CMR rice is made promptly. If there are any issues, they shall be brought to the notice of the Commissioner of Civil Supplies or the Collector concerned for immediate assistance.

37. In case of any delay in custom milling of paddy due to non-availability of adequate rice milling capacity in the district, non-availability of godown space due to non-provision of railway rakes and also with a view to facilitate early delivery of CMR rice, the paddy may be transported from the paddy procured district to the rice mills directly in other districts by the Joint Collectors concerned in consultation with the Joint Collectors of the districts to which paddy is proposed to be moved. For example; i) the paddy procured in Mahabubnagar district may be transported to the nearest district like Kurnool district or Ranga Reddy district ii) the paddy procured in Adilabad district may be transported to Karimnagar district or Nizamabad district for custom milling and; iii) the paddy procured in Karimnagar districts may be transported to Nalgonda district and Warangal district for custom milling. The expenditure incurred by the A.P. State Civil Supplies Corporation shall be booked to the MSP operations of paddy and the same shall be included in the audited accounts of KMS 2013-14, so that the Government of India will be requested for reimbursement of the same.

38. In his reference No.MC/6053/2007 dated 20.8.2007, the Commissioner of Marketing has issued necessary instructions to all the Secretaries of AMCs to prepare a contingency plan well in advance to tackle the additional arrivals, for smooth market operations during the season to get the equipment / machinery available with the AMCs in working condition, to maintain log books for each equipment, to make a note of the usage particulars and to take into account of the equipments / machinery available with the nearby markets (Non-

functional) and with IKP centres while planning for procurement of additional equipment to meet the seasonal requirement. He has also instructed that the Godown space available in the AMCs should also be kept ready for occupation and wide publicity should be given about MSP rates, equipments and godown space available with AMCs.

39. The Marketing Department will purchase required number of moisture meters (Best quality) to be determined with reference to the past performance and to make them available at all the Purchase Centres operated by S.H.Gs of IKP/ DCMS / PACSs / PPCs / Market Yards without fail. One moisture meter should also be provided to the progressive group of farmers / S.H.Gs / Gram Panchayats to enable the farmers to check the moisture contents of the paddy before they bring the paddy to the purchase centres for sale.

40. The Collectors shall fix uniform Hamali charges in the entire district by conducting meeting with the Hamali Unions, Secretaries of AMCs and Procuring Agencies. The Handling Charges should include weighment, stitching and stacking / loading at PPCs / AMCs. The Hamali Charges, thus, fixed will have to be borne by the buyers of the stocks at PPCs / AMCs including the State Procuring Agencies.

41. The Collectors shall review the progress of procurement on weekly basis. The Collectors shall send weekly reports on the progress of procurement to the Commissioner of Civil Supplies as stated above. The Collectors will also bring to the notice of the Commissioner of Civil Supplies, problems, if any, faced by them in procurement of rice including requirement of funds for items of expenditure other than cost of paddy procured by A.P. State Civil Supplies Corporation Ltd and / or any other agency so as to take immediate appropriate action in the matter. The Collectors shall constitute a District Procurement Committee with the Joint Collector as Chairman with District Level officials of all connected departments, namely, Agriculture, Marketing, Civil Supplies, Transport, DRDA, ITDA, I&PR, Warehousing Agencies (CWC, SWC), Procurement Agencies (FCI, APSCSCL) and also Sub-Collectors / RDOs as members to coordinate and decide on all the activities and monitor the work on day-to-day basis as per the operational guidelines.

42. The Collectors shall ensure that the enforcement officials under the A.P. Rice Procurement (Levy) Order, 1984 inspect the rice mills periodically to ensure the purchase of paddy at MSP, paddy milled, levy delivered, levy utilized etc.

43. Wide publicity of the location of the paddy purchase centres, specifications of FAQ paddy, MSP and prescribed value cuts for the non-FAQ paddy shall be given through press, pamphlets, leaflets, and electronic media besides organizing extensive training programmes for the farmers through the Agriculture Extension Staff / Quality Control Officials out of the funds earmarked by Marketing Department in this regard and other funds available at their disposal.

44. The Government or the Commissioner of Civil Supplies may issue any guidelines or orders from time to time to ensure uninterrupted procurement of paddy and levy rice and utilization of levy free eligibility.

45. A copy of this order is available on the internet and can be accessed at the address- www.ap.gov.in

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

SUNIL SHARMA
EX.OFFICIO SECRETARY TO GOVERNMENT

To

The Commissioner of Civil Supplies, A.P. Hyderabad.
All the Collectors / The Chief Rationing Officer, Hyderabad.
The VC & Managing Director, A.P. State Civil Supplies Corporation Limited, Hyderabad
The Chief Executive Officer, SERP, Hyderabad.
The General Manager (A.P. Region), Food Corporation of India, Hyderabad
All the Joint Collectors / All the District Supply Officers.
The Commissioner for Cooperation and Registrar of Cooperative Societies, A.P., Hyderabad.

Copy to:

The Secretary to Govt. of India, Min.of Consumer Affairs, Food & Public Distribution, Dept., of F & PD, Krishi Bhavan, New Delhi.
The Director General, Vigilance and Enforcement Dept, Hyderabad. The Principal Secretary to Govt., Revenue(CT), Dept, A.P. Hyderabad. The Principal Secretary to Govt., Agri. & Cooperation, A.P. Hyderabad. The Secretary to Government, Agriculture Dept., Hyderabad
The Managing Director, A.P. State Warehousing Corpn. Ltd, Hyderabad.
The Regional Manager, Central Warehousing Corporation, Hyderabad.
The Commissioner, Commercial Taxes Dept., Hyderabad.
The Commissioner & Director of Marketing, Hyderabad. The Commissioner & Director of Agriculture, Hyderabad. The Commissioner, Transport, Hyderabad.
The Commissioner, I & PR, Hyderabad.
The Addl. Secretary to Hon'ble Chief Minister for information
The P.S to Hon'ble Minister for Food, Civil Supplies, Legal Metrology and Consumer Affairs, A.P. Hyderabad.
The P.S. to Hon'ble Minister for Finance, A.P. Secretariat, Hyderabad.
The P.S to Hon'ble Minister for Agriculture and Horticulture, A.P, Hyderabad.
The P.S to Hon'ble Minister for Marketing Department, A.P., Hyd'bad.
The President, Rice Millers Association, A.P., Moghul's Imami Mansion, flat #302, Opp. Shadan College, Khairtabad, Hyderabad.

//FORWARDED BY ORDER//

SECTION OFFICER

:: A N N E X U R E - I ::
UNIFORM SPECIFICATION OF ALL VARIETIES OF PADDY
(MARKETING SEASON 2013-14)

Paddy shall be in sound merchantable condition dry, clean, wholesome of good food value, uniform in colour and size of grains and free from moulds, weevils, obnoxious smell, *Argemone maxicana*, *Lathyrus sativus* (Khesari) and admixture of deleterious substances.

Paddy will be classified into Grade 'A' and Common groups.

Schedule of specification

Sl. No.	Refractions	Maximum Limits (%)
1.	Foreign matter	
a)	Inorganic	1.0
b)	Organic	1.0
2.	Damaged, discoloured, sprouted and weevilled grains	4.0
3.	Immature, Shrunken and shrivelled grains	3.0
4.	Admixture of lower class	6.0
5.	Moisture content	17.0

NOTE:

- (i) The definitions of the above refractions and method of analysis are to be followed as per BIS Method of analysis for foodgrains' Nos. IS: 4333 (Part-I) 1996, IS: 4333 (Part-II), 2002 and 'Terminology for foodgrains' IS: 2813 – 1995, as amended from time to time.
- (ii) The method of sampling is to be followed as per BIS method for sampling of Cereals and Pulses IS: 14818-2000 as amended from time to time.
- (iii) Within the overall limit of 1.0% for organic foreign matter, poisonous seeds shall not exceed 0.5% of which Dhatura and Akra seeds (Vicia species) not to exceed 0.025% and 0.2% respectively.

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: A N N E X U R E - II ::
**UNIFORM SPECIFICATION FOR GRADE 'A' & COMMON RICE
(MARKETING SEASON 2013-14)**

Rice shall be in sound merchantable condition, sweet, dry, clean, wholesome, of good food value, uniform in colour and size of grains and free from moulds, weevils, obnoxious smell, admixture of unwholesome poisonous substances, *Argemone maxicana* and *Lathyrus sativus* (Kesari) in any form, or colouring agents and all impurities except to the extent in the schedule below. It shall also conform to PFA Standards.

SCHEDULE OF SPECIFICATION

Sl.	Refractions No.	Maximum Limit (%) Grade 'A'	Common
1.	Brokens *		
	Raw	25.0	25.0
	Parboiled	16.0	16.0
2.	Foreign Matter **		
	Raw/Parboiled	0.5	0.5
3.	Damaged # / Slightly Damaged grains		
	Raw	3.0	3.0
	Parboiled	4.0	4.0
4.	Discolored Grains		
	Raw	3.0	3.0
	Parboiled	5.0	5.0
5.	Chalky Grains		
	Raw	5.0	5.0
6.	Red Grains		
	Raw/Parboiled	3.0	3.0
7.	Admixture of lower class		
	Raw/Parboiled	6.0	--
8.	Dehusked Grains		
	Raw/Parboiled	12.0	12.0
9.	Moisture content @		
	Raw/	14.0	14.0
	Parboiled		

* Including 1% small breakens

** Not more than 0.25% by weight shall be mineral matter and not more than 0.10% by weight shall be impurities of animal origin.

More than 0.10 % by weight shall be
Including pin point damaged grains

@ Rice (both raw and parboiled/Single Parboiled) can be procured with moisture content upto a maximum limit 15% with value cut. There will be no value cut upto 14%.

Between 14% to 15% moisture, value cut will be applicable at the rate of full value.

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**NOTES APPLICABLE TO THE SPECIFICATION OF GRADE 'A' AND
COMMON VARIETIES OF RICE**

1. The definition of the above refractions and method of analysis are to be followed as given in Bureau of Indian Standard "Method of analysis for Foodgrains" No's IS : 4333 (Part-I) 1996 and IS : 4333 (Part - II) 2002" Terminology for Foodgrains" IS : 2813 - 1995 as amended from time to time. Dehusked grains are rice kernels whole or broken which have more than 1/4 of the surface area of the kernel covered with the bran and determined as follows:-

ANALYSIS PROCEDURE :

Take 5 grams of rice (sound head rice and brokens) in a petri dish (80X70 mm). Dip the grains in about 20 ml. of Methylene Blue solution (0.05% by weight in distilled water) and allow stand to for about one minute. Decant the Methylene Blue solution. Give a swirl wash with about 20 ml of dilute hydrochloric acid (5% solution by volume in distilled water). Give a swirl wash with water and pour about 20 ml. of Metanil Yellow solution (0.05% by weight in distilled water) on the blue stained grains and allow to stand for about one minute. Decant the effluent and wash with fresh water twice. Keep the stained grains under fresh water and count the dehusked grains. Count the total number of grains in 5 grams of sample under analysis. Three brokens are counted as one whole grain.

CALCULATIONS :

$$\text{Dehusked grains} = \frac{N}{W} \times 100$$

Where N = Number of dehusked grains in 5 grams of sample W = Total grains in 5 grams of sample.

2. The Method of sampling is to be followed as given in Bureau of Indian Standard "Method of sampling of Cereals and Pulses" No IS : 14818- 2000 as amended from time to time.

3. Brokens less than 1/8th of the size of full kernels will be treated as organic foreign matter. For determination of the size of the brokens average length of the principal class of rice should be taken into account.

4. Inorganic foreign matter shall not exceed 0.25% in any lot, if it is more, the stocks should be cleaned and brought within the limit. Kernels or pieces of kernels having mud sticking on surface of rice, shall be treated as Inorganic foreign matter.

5. In case of rice prepared by pressure parboiling technique, it will be ensured that correct process of parboiling is adopted i.e. pressure applied, the time for which pressure is applied, proper gelatinisation, aeration and drying before milling are adequate so that the colour and cooking time of parboiled rice are good and free from encrustation of the grains.

SCHEDULE OF SPECIFICATIONS FOR FAQ PADDY

S.No.	Refractions	Maximum limit%
1	Foreign matter	
	a) Inorganic	1.0
	b) Organic	1.0
2.	Damaged, discoloured, sprouted and weevilled grains	4.0
3.	Immature, Shrunken and shriveled grains	3.0
4.	Admixture of lower class	6.0
5.	Moisture content	17.0

RATE OF CUT FOR ACCEPTING NON-FAQ PADDY BY RICE MILLERS

S.No.		Rate of cut	
		Grade A Rs. P.	Common Rs. P.
1.a)	Inorganic		
	For every 1% over Permissible 1%	13.45	13.10
b)	Organic		
	For every 1% over Permissible 1%	13.45	13.10
2.	Damaged, Discoloured, Sprouted, Weevilled, Immature Shrunken and shrivelled grains	13.45	13.10
	For every one percent over permissible 7% (upto 10%)		
3.	Moisture:	13.45	13.10
	For every 1% over permissible 17%		

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:: A N N E X U R E - III ::

**GOVERNMENT OF ANDHRA PRADESH
CONSUMER AFFAIRS, FOOD AND CIVIL SUPPLIES DEPARTMENT**

**DECENTRALISED PROCUREMENT
OF PADDY AND RICE
IN
ANDHRA PRADESH**

DURING KHARIF MARKETING SEASON (KMS) 2013-14

OPERATIONAL GUIDELINES

DECENTRALISED PROCUREMENT OF PADDY AND RICE

- Government of India desired that Andhra Pradesh should adopt the decentralized procurement (DCP) of Paddy/rice and to increase direct procurement of paddy from farmers instead of depending heavily on the levy route.
- Government of Andhra Pradesh decided to adopt the DCP which was in principle approved by the Government of India.
- Decentralised procurement of Paddy/Rice would be taken up by the Government of Andhra Pradesh through its agency viz. the AP State Civil Supplies Corporation Ltd. (APSCSCL) from KMS 2012-13.

Salient features of the DCP are:

- i) Procurement of Paddy from the farmers at MSP and rice from the rice millers/dealers at FCI procurement (Levy) rate under mill levy;
- ii) Utilise the raw rice so procured for State's PDS and other schemes as per the allotment made by the Government of India;
- iii) Deliver surplus rice, if any, to the Food Corporation of India for Central Pool;
- iv) Shortfall of raw rice, if any, for the State's PDS will be made available by the Government of India through FCI;
- v) Government of India undertakes to meet the entire expenditure incurred by the State Government towards the procurement (acquisition) cost and distribution cost as per the approved costing by the Govt. of India;
- vi) Govt. of India releases provisional subsidy based on 100% of fixed items such as MSP, taxes and statutory levies including VAT, milling charges, driage (for raw rice) and at 95% on the balance incidentals;
- vii) Govt. of India releases advance quarterly subsidy at 90% of admissible claim at the beginning of the quarter and the provisional quarterly subsidy at the end of a quarter at 95% of admissible claim on receipt of the claim of the State Government; and releases the balance 5% after finalization of accounts and fixation of final economic cost on the basis of audited accounts and supporting documents furnished for the year.

ADVANTAGES OF DECENTRALISED PROCUREMENT:

- a) Ensures MSP for paddy to farmers due to direct involvement of State agencies;
- b) Timely payment of MSP to farmers – preferably within 48 hours;
- c) Self-reliance in procurement of rice for distribution under PDS and other welfare schemes; and
- d) Increases employment in the State for smooth operation of procurement process etc.

OPERATIONAL GUIDELINES

Procurement of Paddy at MSP:

Measures required to be taken by the AP State Civil Supplies Corporation Ltd. in coordination with the Joint Collectors:

- Wide publicity of the MSP for paddy for Common and Grade A along with the specifications prescribed for getting MSP through print and electronic media, tom tom (beat of drum) and through pamphlets/leaflets, posters etc.;
- Paddy shall be purchased from the farmers directly by eliminating the middlemen.
- The documents like Pattadar Pass Book, letter from the Village Revenue Officer about the paddy are to be produced by him in his land;
- Paddy at MSP shall not be accepted at Paddy Purchase centres from the millers and dealers ;
- Identification of sub-agencies for procurement of paddy like IKP
- Groups, PACs, DCMSs, Rythu Mithras etc. in consultation with the Joint Collectors.
- Identification of areas for opening the exclusive Paddy Purchase centres in addition to the AMCs;
- Computerisation of all procurement points to be ensured before commencement of procurement.
- Assess and position the required number of gunnies and suthli at each of the purchase centre;
- Availability of equipment like Paddy Cleaners, Winnowing machines, sieves, moisture meters, calipers etc. which are required for MSP operation.
- Assistance/Support from the Marketing Department to be taken for getting equipment at AMCs / purchase centres.
- Marketing Department shall assess the requirement of equipment required at all the PPCs, present availability and make available the balance to the PPCs etc.
- At each Paddy Purchase centre of IKP one Tech. Assistant from their side shall be positioned by the SERP.
- Position the staff required for taking samples for analysis of the quality and its acceptance and helpers and others;
- Assess the quantity of paddy likely to arrive at each of the purchase centre depending upon the neighbouring villages;
- Prepare the schedule to regulate arrival of paddy from villages/areas nearer to the purchase centre so that there is no stampede/congestion at the purchase centre;
- Storage arrangements at the purchase centre till paddy is moved to mills;
- Transport Contractors to make available adequate transport fleet;
- Permission to millers who want to transport the paddy from PPC on their own for custom milling;
- Rice Mills to be identified for doing custom milling of paddy and delivering raw rice to the APSCSCL and boiled rice directly to the FCI on behalf of the APSCSCL;
- Purchase centres to be tagged on to the rice mills;

- Wherever inevitable and unavoidable, interim storage for paddy to be identified and CAP storage technology to be adopted;
- Payment to the farmers to be done within 48 hours normally through cheques / RTGS to the Bank accounts of the farmers.
- The mandi labour charges like filling and placing the unit on the weighing machine; weighment; unloading from the balance, stitching of bags, loading, marks and temporary stacking should be borne from out of the Mandi labour charges provided in the costing sheet. If the cost is more than the charges permitted in the cost sheet, the balance shall be borne by the farmer, who delivers paddy to the APSCSCL.
- The possibility to have RFID tags to the levy bags may also be explored gradually to ensure that there is no scope for recycling of PDS rice at any stage.

LEVY RICE:

- APSCSCL shall enhance the capacity of the MLS point godowns;
- Godown requirement shall be assessed for receiving the CMR raw rice and the levy raw rice for State's PDS;.
- Available Godowns of the SWC, CWC, Marketing Department etc. and scientific godowns of the private parties should be taken;
- Godowns dehired by the FCI to be taken over by the APSCSCL.
- APSCSCL to be in constant contact with the SWC, CWC, Marketing Department for taking over the new godowns and also to make a request to the concerned for reservation of the godown space to be created either by dehiring them or from new construction.
- APSCSCL shall take action to construct buffer godowns either on their own or getting them constructed through other sources wherever needed by adopting modern technology
- In the alternative, expression of Interest to be obtained for construction of godowns at required places by the interested parties for taking on rent / lease by the AP State Civil Supplies Corporation on 10 years/ 7 years/5 years/2 years guarantee.
- One agency shall be entrusted with the study of construction of godowns by following the procedure for appointing such consultancy.
- Godowns shall provide space to have access for the trucks coming for delivery of rice apart from weighing machines/beam scales;
- Adequate movement space for carrying on the operations by the hamalies and staff to be available in the godowns.
- Required technical staff to be positioned by the AP State Civil Supplies Corporation by engaging the staff on deputation from the FCI and utilization of services of the retired officials from FCI/CS Corporation, so as not to hamper procurement operations due to lack of staff.
- Over and above the Quality staff provided by the FCI on deputation and from retired employees, the balance required staff shall be taken from the out-sourcing; but, after the season is over, the surplus staff shall be terminated.
- Necessary staff like Technical, Accounts and the supporting staff shall be deployed in the godowns and they shall be under the supervision of the Godown in charges.
- Samples taken shall be analysed to ensure that rice is as per specifications;

- Raw rice as per the quality-control-acceptance to be received based on the MSP certificates issued by the District Supply Officer concerned.
- Payment to be made to the rice millers through "Account payee" cheque/RTGS system.
- Proper weighment at the time of receipt and issue is essential.

CUSTODY AND MAINTENANCE OF STOCKS OF RICE:

- Proper dunnage at the godowns to be done;
- Custody and Maintenance system to be followed as per the Warehousing norms;
- Stacking to be done properly as per the standard norms being adopted in the FCI godowns;
- Stock procured under CMR/levy to be verified physically before issue under PDS or any other schemes by the team consisting of District Manager and Assistant Manager (Technical) to ensure quality as per the specifications.
- FIFO (First-in-First Out) for delivery of rice for PDS and other schemes to be followed;
- Tags for the stacks as required under the godown procedure to be followed;
- Preservation methods for storage of stocks to be followed;
- Fumigation, spraying etc. should be done as per the time schedule prescribed as per the quality maintenance norms;
- Accounting system should be fool proof.
- Receipt and issue of stocks to be properly maintained.
- Weighment at the time of receipt and issue to be done.
- Transport Contractors shall be held responsible for short delivery.
- Recovery of cost for short delivery of rice shall be made as per the Contract/agreement.
- Wherever facility is available, computerisation of accounts to be done immediately.
- In other places, it shall be done gradually.
- Godown staff shall be responsible for proper accounting of the stocks, payment process and maintenance of stocks.
- District Manager and other superior officials including the Revenue Divisional Officers, who are already empowered to do physical verification, to frequently visit the godowns to ensure that there is proper management of stocks.
- Godowns shall be clean and tidy to deny access to rodents/snakes etc. and as per prescribed standards.
- Third party annual verification of both quantity and quality of stocks in the APSCSCL godowns to be organized to avoid misappropriation.
- Improper maintenance of godowns leads to deterioration in quality and quantity of rice. Hence, need for proper maintenance.

Duties and Responsibilities of the APSCSCL:

- Assess the requirements of Cash credit limit for procurement of paddy and rice;
- Furnish cash flow statements periodically to the RBI through Government;

- Ensure that the stocks of rice/paddy match with the outstanding cash credit;
- Daily monitoring of availability of funds in the districts for procurement of paddy and levy rice and making available the required funds through on-line transfer.
- There shall be no non-receipt of stocks either under paddy procurement or raw rice procurement for want of funds. VC & MD APSCSCL shall ensure this.
- Proper monitoring of offtake of rice for PDS and other welfare schemes for claiming subsidy from Govt. of India;
- Prompt Claim of the subsidy from the Govt. of India every quarter as per the provisional costing sheet – initially at 90% and subsequently at 95% as per the DCP Scheme.
- Audited accounts to be furnished to get the balance 5%;
- Subsidy requirement from the State Govt. (the difference between the GOI's rate – Re.1 per kg) to be worked out every quarter and claimed from the Government;
- The sales realization of rice from the FP Shops at subsdised rate, the subsidy amounts received from the Govt. of India and the State Government to be credited in the cash credit account;
- Periodicals to be obtained from the District Managers on every aspect of the transaction – right from purchase point till the distribution point – including intermediary transactions.
- As far as possible, as this is the second year of operation of DCP, the movement of raw rice to deficit districts should be avoided and should movement be inevitable, it shall be planned only to the adjoining/nearby deficit districts without the need of moving for a long distance.
- Criss cross movement (movement to another district and getting back from the same district) of rice not to be resorted.
- During the KMS 2013-14, the FCI consented to move raw rice through rakes and make available in the deficit districts for the PDS and other welfare schemes.
- APSCSCL to be frequently in touch with the FCI and through the Commissioner of Civil Supplies indicate in advance the districts to which raw rice to be moved for the PDS and other welfare schemes;
- Computerisation of all the transactions at various levels is essential and hence immediate action for end to end computerisation to be taken up.
- MIS shall be worked out for proper monitoring.
- Necessary software and hardware to be arranged with Data Entry Operators.
- District Managers of the APSCSCL shall be responsible for proper quality check, maintenance of stocks and accounts in the godowns, preservation measures.
- Frequent inspections reduce the mismanagement and misappropriations; Dist. Managers of APSCSCL besides RDOs and DSOs to verify periodically to curb the diversions for recycling or shortages; Surprise inspections by officials from the Headquarters of APSCSCL to be done.
- A vigilance wing at the State Headquarters of the APSCSCL to be constituted for surprise inspections or on complaints.

- Timely reconciliation of accounts with the sub-agencies like IKP groups, PACSs, DCMSs, Rythu Mithras etc. to be done for payment of commission due to them.

CUSTOM MILLING OF PADDY:

- Agreements with the Rice Millers/ Rice Millers Association to be entered into by the Dist. Managers of the APSCSCL
- Security for the value of stocks delivered to be obtained from the recipient miller.
- Monitoring of the stocks of paddy issued for custom milling, custom milled rice to be delivered as per the ratio fixed for raw and boiled rice, rice delivered to the CS Corporation (Raw rice) or to the FCI (boiled rice) on behalf of the Civil Supplies Corporation to be done daily by the District Manager concerned at district level and VC & MD., APSCSCL at Headquarters.
- Time within which CMR rice to be delivered has to be fixed in coordination with the Joint Collectors concerned.
- District Manager concerned to be held responsible for non-receipt of CMR rice on time.

ROLE OF JOINT COLLECTORS:

- Joint Collectors as Ex-officio Executive Directors of the APSCSL to play a pivotal role in implementing the DCP under their guidance, gauze and scrutiny.
- Shall organize publicity through the electronic and print media, posters, leaflets and posters besides tom tom wherever possible about the MSP, specifications, location of purchase centres, time schedule for different areas for delivery of paddy;
- Ensure Positioning of gunnies, suthli, required equipment like
- Paddy cleaners etc., Deployment of required staff Quality check, acceptance of paddy at the purchase centres, transport fleet for movement of paddy to mills, intermediary storage wherever needed; Funds requirement by the DM, CSS Corporation for accepting paddy and levy raw rice ; issue of MSP certificates for delivery of levy raw rice to the Civil Supplies Corporation Ltd. and both raw and boiled rice to the FCI and all other related matters to the DCP.
- Shall oversee the functions of the District Managers of APSCSCL on a daily basis and suitably advise them for proper implementation of DCP.
- Shall inspect the purchase centres and the godowns as frequently as possible to ensure that there is no hardship to the farmers, paddy stocks are procured without any hardship to the farmers, quality check is proper, payment is done without delay, stocks are moved to the mills for custom milling, proper accounts are maintained etc.
- Provide necessary assistance of the DSO to the DMs wherever needed for realizing the CMR rice from the rice millers;
- Initiate action against the rice millers who fail to deliver the custom milled rice as per the agreement;
- Check the godowns frequently to ensure proper stacking and maintenance of stocks, issues as per FIFO, proper weighment, maintenance of records, stock verification etc.

- Ensure acquisition of suitable godowns of the private parties for storing the stocks of the APSCSCL if needed by requisitioning them and also by negotiating with the Warehousing Departments for placing the available godowns at the disposal of the APSCSCL.
- Allot lands to the Civil Supplies Department for getting the godowns constructed by the APSCSCL for storing the rice.

WAREHOUSING AGENCIES:

- SWC, CWC, Marketing Department etc. to consider allotting the godowns available/to be vacated/to be constructed to the APSCSCL in preference to others.
- SWC may also take over private godowns and place at the disposal of the APSCSCL as is being done at present for the FCI.
- Wherever their godowns are used as buffer godowns, the custody and maintenance to be done by them as is being done at present for the FCI.

Trainings imparted by the FCI to the staff of the APSCSCL:

- Trainings given by the FCI to the APSCSCL staff in respect of quality checks, maintenance of godowns, preservation of stocks etc. to be followed mutatis mutandis.
- Operational manual for godown maintenance supplied by the FCI to be followed by the staff in charge of the godown maintenance.

COMPLAINT CELL AND REDRESSAL MECHANISM:

- Control rooms to be opened in every district and a toll free telephone to be operative in the Dist. Manager's office from 8.00 am. to 8.00 pm. A senior officer shall be in charge of the complaint cell to attend to the complaints immediately and redress them.
- Toll free Telephones with numbers 18004252977 and 18004250082 are functioning in the Commissionerate of Civil Supplies. Joint Director (Procurement) will be in charge for monitoring the complaints, bringing to the notice of the CCS or the CS Corporation and to send them to districts for Redressal.
- The telephone numbers at the districts and the Commissioner's office to be notified by the APSCSCL to enable farmers, millers and others to make complaints and suggestions etc. The names, designations and the telephone numbers of the officers in charge of the Complaint Cell shall be notified.
- Complaints received to be attended on priority and the grievances of the complainant to be redressed without loss of time.